GOVERNMENT OF ANDHRA PRADESH
Abstract

E, I&I Department - Selection of consortium of M/s Priyadarshini Educational Society and NOVA Educational Society, as the developer for development of International School at Adavivaram,Visakhapatnam, A.P. in PPP mode and Executing Land lease agreement and the concessional agreement etc – Orders – Issued.

ENERGY, INFRASTRUCTURE & INVESTMENT (AIRPORTS) DEPARTMENT

G.O.RT.No. 138 Dated: 10-10-2016.

Read the following:

1. Letter.No.66/Airports/A2/2015, Dated:04.03.2015.
2. Leter.No.INCAP/International Schools/127/1 (VSPM) 2015, Dated:27.11.2015.

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O R D E R:

In the letter 1st read above, the Government have nominated the Vice Chairman & Managing Director, Infrastructure Corporation of Andhra Pradesh as the nodal agency for providing transaction advisory services for the development of the following projects.

Sl.No.	Infrastructure Project	Location
1.	Mega Convention Centres	Visakhapatnam, Tirupathi &vijayawada
2.	Sports Complex	Visakhapatnam & Tirupathi
3.	International Schools	Visakhapatnam, Guntur, Nellore & Tirupathi
4.	Beach Corridor Project	Tada to Ichchapuram

2. In his letter dated 27.11.2015, the VC&MD, INCAP has informed that a concessional lease rental of Rs.1,00,000/- per acre per annum for the identified land of 15.03 Acres in Survey no.12 at Adavivaram in Visakhapatnam has been stipulated in the RFP in the interest of Project's viability. The land lease rental will be enhanced by 10% in every block of 5 years as per the G.O.Ms.No.571, Revenue (Assignment-I) Dept., dated 14.09.2012.

3. He has further informed that Pre-bid meeting was conducted on 23.09.2015, wherein 15 agencies participated. Based on the interaction with the prospective bidders, certain modifications have been made in the RFP/Concession Agreement and corrigendum have been issued on dt: 01.10.2015, 13.10.2015 and 28.10.2015. These were reviewed and ratified by the Technical Committee in its meeting held on 18.11.2015.

4. He has further informed that in response to the RFP, three bids were received for the development of International School at Adavivaram, Visakhapatnam, AP in PPP mode as furnished below.

1. M/s PARAMAHAMSA EDUCATION SOCIETY, Bangalore.
2. M/s NALANDA ACADEMY OF SCIENCE AND TECHNICAL EDUCATION, Vijayawada.
3. M/s PRIYADARSHINI EDUCATIONAL SOCIETY & NOVA Educational Society(Consortium), Hyderabad.

5. The Technical Committee vide its meeting held on 18.11.2015 has approved the technical evaluation of the above three bids and it was decided that presentation by the bidders and opening of the financial bids be scheduled on 23.11.2015 subject to certain conditions.

6. During the Technical Committee Meeting held on 23.11.2015, the three bidders have made presentation and the financial bids were opened in the presence of the Committee members and representatives of the bidders.

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7. As per the final evaluation, the bid submitted by the consortium of M/s Priyadarshini Educational Society and Nova Educational Society, Hyderabad with 6.39 % of Revenue share is the bid with highest Revenue share and in terms of the provisions under clause 3.4 of the RFP, their bid is recommended for approval by the Technical Committee.

8. The salient features of the Concession Agreement are as follows:

(i) The land being provided for the International School Project at Visakhapatnam has an area of 15 acres at Adavivaram, Simhachalam, Visakhapatnam District, Andhra Pradesh and belongs to Sri Varaha Lakshmi Narsimha Swamy Devasthanams, Simhachalam. It is under the purview of the Endowments Department, Government of Andhra Pradesh. The Concessioning Authority will be Sri Varaha Lakshmi Narsimha Swamy Devasthanams, Simhachalam.

(ii) The date of signing of the Concession Agreement between the Concessioning Authority and the Concessionaire (Developer who won the Bid for the Project) is the Execution Date for the Concession. Within one month from the Execution Date the Concessionaire has to provide the Performance Security equal to 5% of the Total Project Cost to the Concessioning Authority. Within 90 days from the Execution Date, the Concessionaire and the Concessioning Authority will together appoint an Independent Engineer to monitor the progress of works of the project. Within 180 days from Execution Date, the Concessionaire has to complete all the other Conditions Precedent of the Agreement including the Financial Closure of the Project with the lenders. The date on which all the Conditions Precedent are satisfied is called the Appointed Date and the Concession Period starts from that date for 33 years.

(iii) The first phase of the school (with 1000 students intake capacity) is scheduled to be completed within 18 months from the Appointed Date and is called the Schedule Completion Date. The capacity to be increased to 2000 students within 10 years as per market demand. The day of opening of the school for taking in students is called School Operations Date. From the day of hand over of the land or Appointed Date whichever is earlier the Concessionaire shall pay Lease Rentals to the Concessioning Authority and from the day of School Operations Date the Concessionaire shall pay Revenue Share to the Concessioning Authority in quarterly instalments. There are various penalties mentioned in the Concession Agreement like delay in the Schedule Completion Date, delay in payments to the Concessioning Authority, any delay in getting the International Baccalaureate (IB) or IGCSE certification.

(iv) Article 9 of the Draft Concession Agreement relates to performance security, according to which the Concessionaire shall, for the performance of its obligations thereunder, provide to the Concessioning Authority no later than 30 (thirty) days from the date of this agreement, an irrevocable and unconditional guarantee from a Bank for a sum equivalent to 5% of the Total Project Cost in single or multiple form of Bank Guarantees as may be instructed by the Concessining Authority, issued by a Bank having its branch at Hyderabad in favour of Endowments Department, GoAP.

(v) Further Schedule M deals with the operationalization of Escrow Account and Schedule O deals with the Lease Agreement for the land between the Concessioning Authority and the Concessionaire.

9. The VC&MD, INCAP has requested to approve and communicate orders of the Government on

1. The selection of the consortium of M/s Priyadarshini Educational Society and NOVA Educational Society, Hyderabad with M/s Priyadarshini Educational Society as lead member as the developer for development of International School at Adavivaram, Visakhapatnam, A.P. in PPP mode at the concessional land lease of Rs. 1,00,000 per acre per annum escalated at 10% in every block of 5 years and with the revenue share as below in terms of conditions in the RFP as per Appendix-VI (Financial Bid).

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Starting from	Lasting till	Revenue Share applicable	Revenue share quoted by the consortium of M/s Priyadarshini Educational Society, Hyderabad
School Operations Date (SOD)	Year 10 from SOD	% quoted by the Bidder	6.390 %
Year 11 from SOD	Year 20 from SOD	1.5 times the % quoted by the Bidder	9.585 %
Year 21 from SOD	End of Concession period	2.5 times the % quoted by the Bidder	15.975 %

2. Issuing the LOA by INCAP subject to Government approval on (1) above.
3. Executing Land lease agreement and the Concessional Agreement by Sri Varaha Lakshmi Narsimha Swamy Vari Devasthanam, Simhachalam as per the RFP/Concessional Agreement

10. After careful examination Government hereby approved the following proposals:

1. Ratify the action of the VC&MD, INCAP in having released the RFP & CA documents.

2. Selection of consortium of M/s Priyadarshini Educational Society and NOVA Educational Society, as the developer for development of International School at Adavivaram, Visakhapatnam, A.P. in PPP mode.
3. Executing Land lease agreement and the concession agreement by Sri Varaha Lakshmi Narsimha Swamy Vari Devasthanam, Simhachalam with M/s Priyadarshini Educational Society and NOVA Educational Society.
4. Relaxation of the orders issued in G.O.Ms.No.571, Revenue (Assignment-I) dated:14.09.2012 in respect of land lease in the lease rentals as proposed by VC&MD, INCAP.

11. The Vice Chairman & Managing Director, Infrastructure Corporation of Andhra Pradesh Limited, Hyderabad shall take necessary action in the matter accordingly.

12. This order issues with the concurrence of Finance Department dated:30.01.2016.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

AJAY JAIN
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Vice Chairman & Managing Director,
Infrastructure Corporation of Andhra Pradesh Limited, Hyderabad.
The Prl. Secretary to C.M.
The Finance Department,
The Law Department,
General Administration (Cabinet) Department.

//Forwarded:: By Order//

SECTION OFFICER